

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

UNITED STATES OF AMERICA	)	Criminal No. 3:12-CR-00974-DCN
)	
	)	18 U.S.C. § 2
	)	18 U.S.C. § 666(a)(1)(A)
	)	18 U.S.C. § 666(a)(1)(B)
	)	18 U.S.C. § 666(a)(1)(C)
	)	18 U.S.C. § 981(a)(1)(C)
	)	18 U.S.C. § 982(a)(1)
	)	18 U.S.C. § 982 (b)(1)
	)	18 U.S.C. § 1001
	)	18 U.S.C. § 1341
v.	)	18 U.S.C. § 1343
	)	18 U.S.C. § 1346
	)	18 U.S.C. § 1951
	)	18 U.S.C. § 1956
	)	18 U.S.C. § 1957
	)	18 U.S.C. § 1962(d)
	)	18 U.S.C. § 1963
	)	21 U.S.C. § 853(p)
	)	28 U.S.C. § 2461(c)
JONATHAN N. PINSON)	
ERIC ROBINSON	)	<u>SUPERSEDING INDICTMENT</u>

COUNT 1

THE GRAND JURY CHARGES:

THE ENTERPRISE

A. At various time periods relevant to this Superseding Indictment, Defendants **JONATHAN N. PINSON** and **ERIC ROBINSON**, along with various other persons, were members of an enterprise, whose members and associates

engaged in various acts and various types of criminal activity, including but not limited to mail fraud, wire fraud, extortion under color of law, bribery, and money laundering. The enterprise operated principally in the State of South Carolina, in Richland, Lexington, Greenville and Orangeburg counties, and also operated in Georgia, Florida and elsewhere.

B. The enterprise, including its leadership, membership and associates, constituted an "enterprise," as defined by Title 18, United States Code, Section 1961(4), that is, a group of individuals associated in fact. The enterprise constituted an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise. This enterprise was engaged in, and its activities affected, interstate and foreign commerce.

BACKGROUND

During the time period covered by this Superseding Indictment:

THE DEFENDANTS

C. The Defendant, **JONATHAN N. PINSON**, was a resident of Greenville, South Carolina and was a graduate of South Carolina State University (SCSU). **PINSON** conducted business in the State of South Carolina and other states, and was a principal in a number of business entities, including but not limited to: (1) the Noel Group, LLC; (2) the Village at River's Edge (VRE); (3) Titanium

Investments; (4) Supremes, LLC; and (5) Brixstone Group, LLC. **PINSON** served as a member of the Board of Trustees of SCSU, having been elected by the South Carolina General Assembly. In addition, beginning in 2008, **PINSON** served as Chairman of the Board, having been elected to that position by members of the Board. As an elected member of the Board of a state-supported university, **PINSON** was a public official, and was required to report certain benefits that he received as a public official to the South Carolina Ethics Commission. In addition, **PINSON** had a fiduciary relationship with, and owed a duty of loyalty to, SCSU, its students, faculty and alumni, and the citizens of the State of South Carolina.

D. The Defendant, **ERIC ROBINSON**, is a businessman from Greenville, South Carolina, and is a close personal friend of **PINSON**. **ROBINSON** and **PINSON** have been involved in several joint business ventures centered in Greenville, South Carolina and in the Atlanta, Georgia metropolitan area, and they have discussed **ROBINSON**'s potential involvement in **PINSON**'s ventures in Columbia, South Carolina as well. **ROBINSON** also introduced **PINSON** and others to the owner of a diaper plant which subsequently located to Marion County and which was used by the enterprise detailed herein to convert government funds. Additionally, **ROBINSON** was a partner in WE Entertainment, a concert promotions business which operated in Greenville, Atlanta, and elsewhere.

ROBINSON and WE Entertainment sought business with SCSU and its affiliated organizations and entities, and was able (through the efforts and intercessions of **PINSON** and others) to secure a contract to manage the 2011 SCSU Homecoming Concert. In return, **ROBINSON** and WE Entertainment agreed to provide a “kickback” to **PINSON**.

**THE AFFECTED INSTITUTIONS AND
GOVERNMENTAL ENTITIES**

E. South Carolina State University is a publically-funded, state-supported school located in Orangeburg, South Carolina that receives both state and federal funds. SCSU is governed by a Board of Trustees (“the Board”), and the substantial majority of the Board’s members are elected to their positions by the South Carolina General Assembly. The Board has the power to hire and fire the President of SCSU. The Board has substantial influence and control over the affairs of SCSU and its affiliated foundations and organizations. The Chairman of the Board is elected by the Board from among its membership. The Board and its Chairman have a fiduciary relationship with, and solemn obligations to, SCSU and its students, faculty, and alumni. The Board and its Chairman also have a fiduciary relationship with the citizens of the State of South Carolina. SCSU has a number of full-time employees, and it transacts business in interstate commerce. Like other educational governmental entities, SCSU owns real property and is responsible for supplying

various services to its residents. One of SCSU's programs is the 1890 Research and Extension Program (hereinafter "1890 Program"). The 1890 Program receives a substantial portion of its funding from the United States Department of Agriculture. Through the 1890 Program, SCSU provides a variety of public services to rural and urban limited-resource families. The 1890 Program allowed SCSU to build "extension" offices throughout South Carolina. SCSU also provides a variety of services to its students. Historically, SCSU has organized a concert each year, to be held the night before the homecoming football game. At these concerts, professional musicians would perform for the students. These concerts were paid for by SCSU through fees charged to the students. In addition, during the time periods relevant to this Superseding Indictment, SCSU received in excess of \$10,000.00 each year in federal funds through various grant programs and otherwise.

F. The City of Columbia is a municipality and the capital city of the State of South Carolina. At all times relevant to this Superseding Indictment, the City of Columbia has a council-manager form of government, is governed by a city council, and does business in interstate commerce. It has a number of full-time employees who work in various departments, including the Community Development Department. The Community Development Department administers the city's housing program and administers various federal, state, and local grants and

programs. During the time periods relevant to this Superseding Indictment, the City of Columbia received in excess of \$10,000.00 each year in federal funds through various grant programs and otherwise. In approximately 2007, the City of Columbia awarded a \$1.6 million grant to VRE to assist with infrastructure costs.

G. The Columbia Housing Authority (CHA) was established in 1934, and its mission is to meet the emerging affordable housing needs of low- to moderate-income individuals and families in the City of Columbia and in Richland County. A large percentage of CHA's budget comes from the United States Department of Housing and Urban Development (hereinafter referred to as HUD), an Executive Branch agency of the Federal Government. CHA administers HUD programs at the local level, such as the Public Housing Program and the Housing Choice Voucher Program. Local housing authorities such as CHA also receive HUD Capital Funds to modernize public housing developments, as well as funds to administer home ownership programs. CHA acts as an agent of HUD when administering Federal programs and disbursing Federal funds.

In 2009, CHA was awarded a \$10,000,000 grant consisting of American Recovery and Reinvestment Act of 2009 (ARRA) funding, issued by HUD. VRE was awarded a \$5.6 million contract by CHA on September 17, 2010, to build 60 public housing townhouse units beginning February 15, 2011, with CHA and HUD,

Office of Public Housing oversight. The grant required VRE to certify, under penalty of perjury, to CHA and HUD the progressive completion of construction and materials used in order to draw down funds from the CHA for the next phase of construction.

The development agreement between VRE and CHA allowed VRE to earn a developer's fee equal to 6.7% of the hard vertical construction costs for the public housing units. The developer's fee was approximately \$379,000. The developer's fee was to be paid to VRE in three separate payments, after certain performance benchmarks were met. According to the development agreement, the developer's fee was the only compensation that VRE was to receive from CHA for the construction of the public housing units. The developer's agreement also contained language concerning potential "construction cost savings," requiring VRE to use any construction savings accrued on the project itself; in other words, VRE was not allowed to "pocket" any savings. During the course of submitting the Periodic Estimates for Partial Payment, Form HUD-51001, **PINSON** and VRE produced a schedule of estimated expenses incurred to CHA to justify reimbursements that were subsequently made by CHA to VRE. However, upon receiving these funds from CHA, **PINSON** illegally paid himself a portion of the funds, while often failing to pay contractors for work performed.

H. Marion County is located in the Pee Dee region of South Carolina. During the time period relevant to this Superseding Indictment, Supremes, LLC, a diaper plant, was relocated to Marion County. In 2009, Marion County received a \$1,000,000 grant from the South Carolina Department of Commerce to fund the renovation of an older manufacturing plant. The grant was awarded by the South Carolina Department of Commerce to facilitate Supremes' relocation from Georgia to Marion County. During 2009 and 2010, Marion County received in excess of \$10,000.00 each year in federal funds through various grant programs and otherwise.

THE MEMBERS AND ASSOCIATES OF THE ENTERPRISE

I. As detailed above, both **PINSON** and **ROBINSON**, along with various other persons were members of the enterprise. The enterprise also included, but was not limited to, the following persons who served as members and associates of the enterprise:

a. Person 1 (P1), a Columbia, SC area businessman who served as a member of the SCSU Board of Trustees and who also had an ownership interest in VRE, in Supremes, LLC, in Brixstone Group, LLC and in various other corporate entities which were used to assist the enterprise in making money;

b. Person 2 (P2), an Irmo, SC area businessman who had an ownership interest in VRE, in Supremes, LLC, in Brixstone Group, LLC and in numerous other corporate entities which were used to assist the enterprise in making money;

c. Person 3 (P3), a Columbia, SC businessman and former banker who worked closely with **PINSON** at VRE, and with P1 and P2 in numerous corporate entities which were used to assist the enterprise in making money;

d. Person 4 (P4), a businessman from Florida who was involved in proposed business ventures with **PINSON** and **ROBINSON** in Columbia, SC and in the Atlanta, GA area (including but not limited to DeKalb County, GA). P4 also owned a piece of real property in Orangeburg County, the "Sportsman's Retreat," which he wished to sell, and he requested **PINSON**'s assistance in arranging the purchase of the Sportsman's Retreat by SCSU and the 1890 Foundation in return for a "kickback" in the form of a new Porsche Cayenne automobile;

e. Person 5 (P5), a former Richland County deputy later employed by SCSU as its Chief of Police, who, while serving as Chief of Police, agreed to help promote the sale of the Sportsman's Retreat to SCSU in exchange for a payment of approximately \$30,000.00 in cash;

USED BY THE ENTERPRISE

J. In addition to its members and associates, the enterprise also used other persons and corporate entities to further its activities. These persons and businesses included the following:

- a. Person 6 (P6), an employee of SCSU;
- b. Person 7 (P7), a Columbia, SC based real estate agent who was affiliated with VRE and **PINSON**;
- c. VRE, a South Carolina limited liability corporation formed to develop affordable housing in a lower income area of Columbia, SC. **PINSON** was one of the founders and initial principals in VRE. P1 and P2 became part owners of VRE in 2009.
- d. The Noel Group, LLC, a South Carolina limited liability corporation wholly owned and controlled by **PINSON**. The Noel Group, LLC was a consulting company.
- e. Supremes, LLC, a South Carolina limited liability corporation formed to purchase the assets of Softee Supreme LLC, a Georgia corporation. Before the purchase, Softee Supreme operated a diaper manufacturing business in Georgia. Upon the purchase, the business moved to Marion County, South Carolina.

f. Brixstone Group, LLC, a South Carolina limited liability corporation formed by **PINSON** jointly with P1 and P2. Initially, the Brixstone Group helped customers transition from analog to digital television. Later, however, Brixstone Group became one of the owners of Supremes, LLC.

THE FUNCTION AND PURPOSES OF THE ENTERPRISE

K. The enterprise began as early as 2006. **PINSON**, a native of Greenville, SC, was involved in several businesses in Columbia, SC and had personal and business contacts with several Columbia-area officials. **PINSON** and others used their relationships with municipal employees and officials to assist in obtaining local funding and, eventually, federal funding for VRE and its projects. **PINSON** and P1 served on the SCSU board, and both P5 and P6 worked at SCSU.

L. In 2009, **PINSON** joined with P1 and P2 to bring the Supremes diaper plant to Marion County. Eventually, **PINSON** persuaded P1 and P2 to become partners at VRE and the enterprise expanded. Acting at the request of **PINSON** and others, P1 and P2 thereafter made a “kickback” payment to another member/affiliate of the enterprise (hereinafter referred to as Person A). With **PINSON** in a leading role, and using his position as the Chairman of the Board at SCSU, the enterprise increased in membership and prestige and continued to earn

money through both legal and illegal means (in Columbia, SC; Greenville, SC; Orangeburg, SC; Marion County, SC; Atlanta, GA and elsewhere.) **PINSON** brought in new members, associates and affiliates to the enterprise as **PINSON** saw fit. For example, he brought in **ROBINSON** and P4, both of whom were willing to pay **PINSON** "kickbacks" in order to maintain their affiliation and interests in the enterprise as they partnered with **PINSON** in business ventures. As detailed herein, the enterprise committed numerous criminal offenses to increase its profits, and **PINSON** was routinely at the heart of this criminal activity. **PINSON** conspired to continue to expand the enterprise and its reach before developing suspicions that P1 was cooperating with law enforcement and learning in late 2011 that he (**PINSON**) was the target of a criminal investigation into the activities of the enterprise. Thereafter, a number of enterprise members and associates (including P2, P3, P4, and P5) and others agreed to cooperate with a joint federal and state agency investigation and the enterprise began to fracture.

M. The purposes of the enterprise included the following:

i. Enriching the members and associates of the enterprise through both legal and illegal means, including but not limited to the commission of various types of financial crimes, including mail fraud, wire fraud, extortion under color of law, bribery, and money laundering.

- ii. Preserving and protecting the profits and assets of the enterprise.
- iii. Promoting and enhancing the enterprise and its members' and associates' activities.
- iv. Using political connections and relationships to enhance the enterprise's ability to earn money (both legally and illegally) and its prestige.

ROLES OF THE DEFENDANTS

N. **PINSON** was one of the primary leaders of the enterprise. **PINSON** committed various acts of fraud in connection with schemes to enrich himself and the enterprise, and used his position as Chairman of the Board of Trustees of SCSU to enrich himself, the enterprise, and its members. **PINSON** laundered the illegal proceeds of the enterprise through entities controlled by him, and used his political connections and relationships to enhance the enterprise and further its goals.

O. **ROBINSON** was a member of the enterprise who offered bribes and "kickbacks" to enrich himself and the enterprise, and otherwise attempted to profit, both legally and illegally, through his association with the enterprise.

THE RACKETEERING CONSPIRACY

P. Beginning in or around June 2007 and continuing up to and including April 2013, said dates being approximate and inclusive, in the District of South

Carolina and elsewhere, **PINSON, ROBINSON**, and others, all being persons employed by and associated with the aforementioned enterprise, which engaged in, and the activities of which affected, interstate and foreign commerce, knowingly, and intentionally conspired to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of that enterprise through a pattern of racketeering activity consisting of: (1) multiple acts indictable under the following provisions of federal law:

- i. 18 USC § 1341 (mail fraud);
- ii. 18 USC § 1343 (wire fraud);
- iii. 18 USC § 1343 and 1346 (honest services wire fraud);
- iv. 18 USC § 1344 (bank fraud);
- v. 18 USC § 1951 (extortion under color of law);
- vi. 18 USC §§ 1956 and 1957 (money laundering);

and (2) multiple acts involving bribery chargeable under the following provision(s) of South Carolina and Georgia state law:

- vii. Title 16, Code of Laws of South Carolina (1976), Sections 16-9-210 and 16-9-220 (bribery);
- viii. Title 16, Georgia Code Annotated, (2010), Section 16-10-2 (bribery).

Q. It was a further part of the conspiracy that each Defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

**MEANS AND METHODS OF THE
RACKETEERING CONSPIRACY**

R. **PINSON, ROBINSON**, and the other members of the enterprise developed various schemes to enrich themselves through the use of both legal and illegal means. The enterprise had a number of separate business ventures and it obtained money to support those ventures in four primary ways: (1) through private loans; (2) from investors; (3) from government sources; and (4) through the use of “kickbacks” and bribes. The members of the enterprise used their influence and connections to help them obtain these various sources of funding, and they engaged in deception with respect to each of these funding mechanisms, *i.e.* they used funds they received from banks and individuals for purposes other than intended by the lender and investor. For example, members of the enterprise obtained loans from a bank and frequently used the proceeds of the loans for purposes other than the purposes stated in the loan agreements, and they used those funds to keep their various business ventures afloat.

Further, **PINSON** and other members of the enterprise used their connections to help them obtain government funds and then illegally converted portions of those funds for their own profit. Examples of this type of activity included (but were not limited to) acts of mail fraud, wire fraud and money laundering involving Supremes LLC and the VRE as charged in this Superseding Indictment.

Finally, as detailed herein, **PINSON** and others solicited and accepted investments, "kickbacks," and bribes, and **PINSON, ROBINSON**, and others offered "kickbacks" and bribes to help obtain money and influence. Examples of this type of activity included (but were not limited to) **PINSON's** use of his official position as the Chairman of the Board of Trustees of SCSU to enrich himself by soliciting and accepting gifts, payments, "kickbacks," and other things of value, from various persons, in exchange for favorable official acts, with **ROBINSON** and other enterprise members and associates seeking to enrich themselves by obtaining favorable official action for themselves and their companies through secretly and corruptly offering "kickbacks," gifts, and payments to **PINSON**.

S. Deception, influence, peddling, and greed were the hallmarks of this enterprise, and **PINSON, ROBINSON**, and other members of the enterprise cloaked their illegal activities with a false veneer of respectability. **PINSON** concealed **ROBINSON's** inexperience in handling concerts from SCSU and further

concealed from SCSU the fact that he (**PINSON**) and P6 stood to financially gain from the 2011 Homecoming concert. **PINSON** also concealed the fact that he (**PINSON**) and P5 stood to receive substantial personal benefits from SCSU's purchase of the Sportsman's Retreat. Further, **PINSON** failed to report certain benefits that he demanded and received as a leader of the enterprise (two of which are described in Overt Acts 18 and 94 below) to the South Carolina Ethics Commission as required by state law. **PINSON** took affirmative steps to conceal certain of his activities from the public as well as the true nature of his relationships (financial and otherwise) with certain members, associates and affiliates of the enterprise.

T. The enterprise operated in a number of ways, including but not limited to the following:

i. **PINSON** used his connections to obtain a position on the Board of SCSU, and then used that position to line his pockets and benefit the enterprise. **PINSON**, P5, and P6 used their positions of power and trust at SCSU to improperly influence decisions affecting SCSU's expenditure of money, including but not limited to the award of contracts and the purchase of real estate. **ROBINSON**, P4, and other enterprise members used their connections with **PINSON** to attempt to obtain financial benefits from SCSU.

PINSON made multiple decisions at SCSU based on whether he could personally profit from the decisions (through the receipt of illegal payments and “kickbacks” or otherwise) rather than basing his decisions on the best economic interests of SCSU, in violation of his fiduciary duty to SCSU.

ii. **PINSON, ROBINSON**, and other members and associates of the enterprise frequently attempted to curry favor with public officials and employees through various methods, including influence peddling and the occasional offer of illegal payments and “kickbacks,” so that **PINSON, ROBINSON** and other members and associates of the enterprise would receive favorable treatment from persons with decision-making authority over the business activities in which they engaged.

iii. **PINSON** and enterprise members (including but not limited to P1, P2 and P3) obtained monies through various fraudulent means, by misrepresenting the purpose for which the funds would be used and/or the reason they were due and owed. **PINSON**, P1, P2, P3, and others used the funds for their own personal benefit and for purposes unrelated to the reasons the funds were provided.

iv. **PINSON, ROBINSON**, and other members and associates of the enterprise used various “shell” corporations to promote their schemes, to

disguise the payment of monies, and to launder the proceeds of their ill-gotten gains

v. **PINSON, ROBINSON**, and members and associates of the enterprise (including but not limited to P1, P2, P3, P4, and P5) used facilities in interstate commerce, including telephone calls and interstate wires, to promote their various illegal schemes and to receive ill-gotten gains.

OVERT ACTS

U. In order to accomplish the purposes of the racketeering conspiracy described above, the Defendants and others committed the following Overt Acts and other acts in furtherance of the racketeering conspiracy:

1. On or about April 10, 2006, VRE was incorporated by **PINSON** and others.

2. On or about June 4, 2007, a letter was transmitted to a potential New York-based investor promising a guaranteed 100% rate of return, to be paid out over three years, if that investor agreed to invest \$50,000.00 in one of the corporate entities controlled by the enterprise.

3. On or about September 4, 2007, the interstate wiring of \$50,000 into a South Carolina Community Bank account was caused; however, the substantial majority of the funds transferred were used for purposes that were

different from the purposes represented to the investor referred to in Overt Act Two above.

4. On or about September 10, 2007, a wire transfer was caused in the amount of \$9,000 from a South Carolina Community Bank account to a Titanium Investments account at Bank of America.

5. On or about September 21, 2007, P1, P2, and P3 signed a loan commitment for a \$3.3 million construction loan, agreeing to use the proceeds of the loan only for purposes related to the construction of a building on St. Andrews Road in Columbia, SC.

6. On or about November 11, 2007, P3 used significant portions of a construction loan draw for the building on St. Andrews Road, for purposes unrelated to the construction loan.

7. On or about April 8, 2008, P3 wrote a check payable to Clam Farm Partnership in the amount of \$231,500.00, using proceeds from a draw on the St. Andrews Road construction loan.

8. On or about July 17, 2008, P3 used proceeds from a draw on the St. Andrews Road construction loan to pay \$112,500.00 for grading work unrelated to the St. Andrews Road building.

9. In or around Spring 2009, **ROBINSON** introduced, and caused

the introduction of, **PINSON**, P1, and P2 to the Atlanta, Georgia owner of Softee Supremes.

10. On or about May 12, 2009, Brixstone Group, LLC was formed by **PINSON**, P1 and P2.

11. On or about May 29, 2009, at the request of **PINSON** and others, P1 and P2 invested \$72,000 in VRE; however, a substantial portion of this "investment" (\$36,197.52) was used to make a payment on a note for another corporate entity owned by **PINSON** and others and controlled by the enterprise.

12. On or about June 24, 2009, Supremes was formed by **PINSON**, P1, P2, and others.

13. On or about July 23, 2009, P1, P2, and others signed a loan agreement with First Community Bank.

14. On or about August 6, 2009, at the request of **PINSON** and others, P1 and P2 delivered a \$5,000 check to Person A as a reward for assistance rendered by Person A to VRE.

15. In or around late November 2009, P3 submitted a falsified invoice for payment to Marion County.

16. On or about January 15, 2010, **PINSON** used the Noel Group to

launder illegal proceeds by writing three separate checks, drawn on a Noel Group account, totaling \$25,000.00 (in amounts of \$10,000.00 each to P1 and P2, and \$5,000 to P3) using funds illegally converted from Marion County.

17. In or around Fall 2010, **PINSON** attempted to use his influence as SCSU Board Chair to promote **ROBINSON**'s participation in the 2010 SCSU Homecoming Concert.

18. In or around December 2010, P4 flew **PINSON**, P5, and others from Columbia, South Carolina to Orlando, Florida in a private plane, where P4 subsequently treated them to dinner and entertainment.

19. On or about March 22, 2011, **PINSON** (aided and abetted by VRE and P3) submitted a HUD form HUD-51001 to the CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

20. On or about April 1, 2011, **PINSON** and VRE caused and received a wire transfer in the amount of \$245,105.10 from CHA.

21. On or about April 4, 2011, VRE, aided and abetted by **PINSON**, wrote a check to P7 in the amount of \$250.00.

22. On or about April 11, 2011, VRE, aided and abetted by **PINSON**, wrote a check to another person in the amount of \$515.00.

23. On or about April 27, 2011, **PINSON** (aided and abetted by P3) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

24. On or about April 28, 2011, P3 (aided and abetted by **PINSON**) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

25. In or around May, 2011, **PINSON** met with others at a Greenville, South Carolina restaurant in which **PINSON** had an ownership interest. During the meeting, **PINSON** boasted about his connections in Columbia, South Carolina and indicated that he (**PINSON**) could launder money through a business that he (**PINSON**) owned in Columbia.

26. On or about May 25, 2011, **PINSON** met with P1 and told P1 that he (**PINSON**) had been informed that the "Feds" would probably be interviewing **PINSON** and others regarding P1's and P2's financial involvement with VRE. **PINSON** then suggested a false cover story for the \$5,000.00 payment described in Overt Act 14. Unbeknownst to **PINSON**, however, P1 was cooperating with federal agents at the time and this conversation was recorded.

27. On or about June 2, 2011, **PINSON** (aided and abetted by P3) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

28. On or about June 4, 2011, P3 submitted an application to become a member of CHA's Board of Directors.

29. On or about June 15, 2011 P3 (aided and abetted by **PINSON**) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

30. On or about June 20, 2011, VRE and **PINSON** caused and received a wire transfer of \$567,733.06 from CHA.

31. On or about June 21, 2011, VRE and **PINSON** caused a payment to **PINSON** in the amount of \$2,500.00.

32. On or about June 27, 2011, VRE and **PINSON** caused a payment to **PINSON** in the amount of \$2,500.00.

33. On or about June 28, 2011, VRE and **PINSON** caused a payment to **PINSON** in the amount of \$5,500.00.

34. On or about June 29, 2011, VRE and **PINSON** caused a loan payment of \$12,000.00 to NBSC.

35. On or about June 30, 2011, VRE and **PINSON** caused a loan

payment of \$8,000.00 to First Community Bank.

36. On or about July 1, 2011, VRE and **PINSON** caused a payment to **PINSON** in the amount of \$7,500.00.

37. On or about July 13, 2011, **PINSON** (aided and abetted by VRE and P3) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

38. On or about July 15, 2011, **PINSON** sent an email to a person who had helped the enterprise obtain a bank loan, offering to give him a payment using federal funds acquired by VRE in a total amount of \$25,000.

39. On or about July 21, 2011, **PINSON** (aided and abetted by P3) caused a transfer of funds from VRE's Bank of America account (account number ending in 8902) to his (**PINSON**'s) personal account at Wachovia Bank (account number ending in 1306) in the amount of \$18,500.00.

40. On or about July 21, 2011, **ROBINSON** sent **PINSON** a text message concerning the SCSU 2011 Homecoming Concert.

41. On or about July 22, 2011, **PINSON** used a cellular telephone(s) to discuss the "split" for anticipated profits from the 2011 SCSU Homecoming Concert with P6.

42. On or about July 25, 2011, **PINSON** and P3 used a cellular telephone(s) to discuss using CHA funds to purchase items for their personal use because, according to **PINSON**, it was difficult to “track that shit.”

43. On or about July 26, 2011, **ROBINSON** sent **PINSON** the following text message: “I’ll give some money back this week. They should be signing the contract this week.”

44. On or about July 26, 2011, **PINSON** used a cellular telephone to talk with a New York investor in a corporate entity controlled by the enterprise. During that call, **PINSON** promised to make a payment to that investor in the amount of \$2,000. **PINSON** attempted to pacify that investor’s concerns about his investment and the failure to keep the promises made to the investor that had induced said investment.

45. On or about July 28, 2011, **PINSON** used his position as Chairman of the Board of Trustees at SCSU in an attempt to set up P3 as a lighting contractor at SCSU.

46. On or about July 28, 2011, **PINSON** used a cellular telephone to discuss with Person A the service of a federal grand jury subpoena served on Person A’s employer for his personnel records.

47. On or about July 29, 2011, **PINSON** (aided and abetted by VRE

and P3) caused a transfer of funds from VRE's Bank of America account (account number ending in 8902) to his (**PINSON's**) personal account at Wachovia Bank, (account number ending in 1306) in the amount of \$13,000.00.

48. On or about August 3, 2011, **ROBINSON** opened a bank account in the name of WE Entertainment.

49. On or about August 3, 2011, P3 (aided and abetted by **PINSON**) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

50. On or about August 5, 2011, **ROBINSON** and **PINSON** used a cellular telephone(s) to discuss SCSU's payments to WE Entertainment.

51. On or about August 11, 2011, **PINSON** and **ROBINSON** used a cellular telephone(s) to discuss **ROBINSON's** expenses for the 2011 SCSU Homecoming Concert and **ROBINSON's** plan to pay **PINSON**.

52. On or about August 13, 2011, **ROBINSON** wrote a check payable to **PINSON** in the amount of \$1,100.00.

53. On or about August 16, 2011, **PINSON** used a cellular telephone to ask for a "love offering" (i.e. a "kickback") from a businessman who had recently received a contract from SCSU at **PINSON's** urging.

54. On or about August 19, 2011, **PINSON** used a cellular telephone to talk with P6 about getting work for Person A at SCSU by having Person A develop a “wellness center” at SCSU.

55. On or about August 25, 2011 **PINSON** (aided and abetted by VRE and P3) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

56. On or about August 25, 2011, **ROBINSON** and **PINSON** used a cellular telephone(s) to discuss the need for **ROBINSON** to pay “kickbacks” in order to get SCSU business.

57. On or about August 31, 2011, **PINSON** and P3 used a cellular telephone(s) to discuss setting up P3 as a lighting contractor at SCSU and **PINSON's** plan to have P5 claim that there was a security need associated with new lights.

58. On or about September 1, 2011, **PINSON** and **ROBINSON** used a cellular telephone(s) to discuss **ROBINSON's** commitment to make \$1,000.00 “kickback” payments to **PINSON** and P6.

59. On or about September 1, 2011, **PINSON** and VRE caused and received a wire transfer of \$596,704.33 from CHA.

60. On or about September 2, 2011, **PINSON** (aided and abetted by VRE and P3) caused a transfer of funds from VRE's Bank of America account (account number ending in 8902) to his (**PINSON**'s) personal account at Wachovia Bank, (account number ending in 1306) in the amount of \$15,000.00.

61. On or about September 2, 2011, **PINSON** made a payment to Century BMW in the amount of \$879.58.

62. On or about September 10, 2011, **PINSON** and **ROBINSON** used a cellular telephone(s) to discuss kickbacks from the 2011 SCSU Homecoming Concert.

63. On or about September 10, 2011, **PINSON** and P4 used a cellular telephone(s) to discuss P4's plan to sell the Sportsman's Retreat to SCSU.

64. On or about September 13, 2011, **ROBINSON** gave P6 \$500 in cash at the Hilton Hotel in downtown Columbia, South Carolina.

65. On or about September 22, 2011, **PINSON** and P4 used a cellular telephone(s) to discuss **PINSON**'s efforts to promote the sale of the Sportsman's Retreat to SCSU.

66. On or about September 23, 2011, **PINSON** used a cellular

telephone to discuss with a vendor a plan to get **PINSON** a lighting contract at another university in return for **PINSON**'s assistance in getting the vendor an energy performance contract with SCSU.

67. On or about September 23, 2011, **PINSON** used a cellular telephone to discuss with P7 a plan to give a "love offering" to a municipal employee in return for assistance to VRE.

68. On or about October 6, 2011, **PINSON** used a cellular telephone to tell P6 to take over the SCSU energy performance contract.

69. On or about October 7, 2011, **PINSON** (aided and abetted by P3) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

70. On or about October 7, 2011, **PINSON** and P4 used a cellular telephone(s) to discuss a "kickback" in the form of a Porsche Cayenne to be paid to **PINSON** if SCSU purchased the Sportsman's Retreat.

71. On or about October 10, 2011, **PINSON** used a cellular telephone(s) to attempt to persuade an SCSU Vice President to help him (**PINSON**) convince other high-level SCSU officials of SCSU's need for a facility like the Sportsman's Retreat.

72. On or about October 10, 2011, **PINSON** and P4 used a cellular

73. On or about October 13, 2011, **PINSON** and P5 used a cellular telephone (s) to discuss P5's role in promoting SCSU's purchase of the Sportsman's Retreat, and the "kickbacks" that both **PINSON** and P5 expected to receive from P4 for their efforts.

75. On or about October 19, 2011, **PINSON** and P5 used a cellular telephone(s) to discuss contacting an SCSU official, P5's efforts to push SCSU's purchase of the Sportsman's Retreat, and P5's dissatisfaction with the amount of money he was making at SCSU.

77. On or about October 19, 2011, **PINSON** used a cellular telephone(s) to discuss with an SCSU Vice President the status of SCSU's Administration's support of the purchase of the Sportsman's Retreat.

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received a wire transfer of \$313, 581.69 from CHA.

79. On or about October 20, 2011, **PINSON** used a cellular telephone(s) to discuss with SCSU's President the potential uses of the Sportsman's Retreat by SCSU.

80. On or about October 21, 2011, **PINSON** spent \$650.00 at a Columbia, SC nightclub.

81. On or about October 29, 2011, **ROBINSON** and **PINSON** used a cellular telephone(s) to discuss soliciting a "kickback" from P4 to pay to a DeKalb County official.

82. On or about October 29, 2011, **PINSON** and **ROBINSON** used a cellular telephone(s) to discuss their "little pact" controlling business ties between the City of Columbia and officials and others from Atlanta, and how the enterprise could profit therefrom.

83. On or about October 31, 2011, **PINSON** used a cellular telephone(s) to discuss the employment status of Person A with a member of a municipal city council. During this phone call, **PINSON** also requested assistance and advice on getting a contract for the rehabilitation of the Gonzales Gardens housing project for him and P4.

84. On or about October 31, 2011, **PINSON** and P4 used a cellular

telephone(s) to discuss the Sportsman's Retreat. During the call, **PINSON** told P4 that P6 would be sending him a letter regarding SCSU's intent to purchase the Sportsman's Retreat.

85. On or about October 31, 2011, P6 sent P4, via facsimile, a letter of intent to purchase Sportsman's Retreat.

86. On or about November 1, 2011, **PINSON** and P4 used a cellular telephone(s) to discuss P4's payment of "consulting fees" to a bank official in Florida so that said bank official could assist the enterprise.

87. On or about November 1, 2011, **PINSON** and P3 used a cellular telephone(s) to discuss the degree of influence **PINSON** believed that he wielded with various public officials and how the enterprise could use this influence to benefit VRE.

88. On or about November 1, 2011, **PINSON** and P6 used a cellular telephone(s) to discuss SCSU's letter of intent to purchase Sportsman's Retreat.

89. On or about November 3, 2011, **PINSON** used a cellular telephone to tell an associate about the degree of influence he has at the City of Columbia and elsewhere, and how he can use that influence to benefit VRE.

91. On or about November 9, 2011, P4 sent an email to **PINSON** at **PINSON's** Noel Group email address checking on the status of SCSU's prospective purchase of the Sportsman's Retreat.

93. On or about November 11, 2011, **PINSON** and **ROBINSON** used a cellular telephone(s) to discuss soliciting a “kickback” from P4 to pay to a DeKalb County official.

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95. On or about November 14, 2011, **ROBINSON** made false statements to federal agents who were investigating the enterprise.

96. On or about November 14, 2011, **PINSON** made false statements to federal agents who were investigating the enterprise.

97. On or about November 14, 2011, **PINSON** and P4 used a cellular telephone to discuss the ownership structure at VRE and to discuss the Gonzales Gardens RFQ response package being sent to the City of Columbia. **PINSON** also told P4 limited details about his (**PINSON's**) earlier interview by FBI agents.

98. On or about November 18, 2011, **PINSON** (aided and abetted by VRE and P3) submitted a HUD form HUD-51001 to CHA which contained false and fraudulent information and representations in order to obtain funds via wire.

99. On or about November 20, 2011, **PINSON** and P5 used a cellular telephone(s) to discuss SCSU's prospective purchase of the Sportsman's Retreat and P5's plans to reach out to an SCSU official.

100. On or about November 28, 2011, **PINSON** (aided and abetted by VRE and P3) caused a transfer of funds from VRE's Bank of America account (account number ending in 8902) to his (**PINSON's**) personal account at

Wachovia Bank, (account number ending in 1306) in the amount of \$11,802.51.

All in violation of Title 18, United States Code, Section 1962(d).

**OFFENSES RELATED TO OFFICIAL CORRUPTION AND
THEFT AND CONVERSION OF PUBLIC FUNDS**

The Hobbs Act, Honest Services Wire Fraud, and
Title 18, United States Code, § 666

COUNTS 2 – 23

COUNT 2

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein;

B. Beginning on or about November 1, 2009, and continuing up to in or around February 2010, in the District of South Carolina, the Defendant, **JONATHAN N. PINSON**, aided and abetted by P1, P2 and P3 (P3 being an agent of Marion County, South Carolina, and Marion County receiving in the one-year period beginning March 1, 2009, benefits in excess of ten thousand dollars (\$10,000.00) under numerous federal programs), as a principal, aider and abettor and as a co-participant in organized criminal activity, embezzled, stole obtained by fraud and intentionally misapplied property worth at least five thousand dollars (\$5,000.00) under the care and control of Marion County;

In violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNT 3

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. Beginning on or about April 1, 2011, and continuing up to on or about November 28, 2011, in the District of South Carolina, the Defendant, **JONATHAN N. PINSON**, aided and abetted by P3, (both being agents of VRE, said entity receiving in the one-year period beginning January 1, 2011, benefits in excess of ten thousand dollars (\$10,000.00) under numerous federal programs), as a principal, aider and abettor and as a co-participant in organized criminal activity, embezzled, stole obtained by fraud and intentionally misapplied property worth at least five thousand dollars (\$5,000.00) under the care and control of VRE, that is, federal funds sent to VRE through CHA;

In violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNT 4

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. Beginning in or around Summer 2011, and continuing until in or around Fall 2011, in the District of South Carolina, the Defendant, **JONATHAN N. PINSON**, an agent of SCSU, said entity receiving in the one-year period beginning January 1, 2011, benefits in excess of ten thousand dollars (\$10,000.00) under

numerous federal programs, corruptly solicited and agreed to accept property worth at least five thousand dollars (\$5,000.00) from Eric Robinson and WE Entertainment, intending to be influenced and rewarded in connection with a transaction and series of transactions involving official SCSU business, that is, the awarding of the contract to manage the 2011 SCSU Homecoming Concert to Robinson and WE Entertainment, in return for a "kickback" to be provided to **PINSON**;

In violation of Title 18, United States Code, Sections 666(a)(1)(B).

COUNT 5

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. In or around Fall 2011, in the District of South Carolina, the Defendant, **ERIC ROBINSON**, corruptly gave, offered and agreed to give, property worth at least five thousand dollars (\$5,000.00) to Jonathan N. Pinson, Chairman of the Board of Trustees and an agent of SCSU, said entity receiving in the one-year period beginning January 1, 2011, benefits in excess of ten thousand dollars (\$10,000.00) under numerous federal programs, in connection with official SCSU business, that

In violation of Title 18, United States Code, Sections 666(a)(1)(C).

B. In or around Fall 2011, in the District of South Carolina, the Defendants, **JONATHAN N. PINSON** and **ERIC ROBINSON**, did, as principals, aiders and abettors, and as co-participants in jointly undertaken criminal activity, knowingly, wilfully and unlawfully affect and attempt to affect interstate commerce, and the movement of articles and commodities in interstate commerce, by extortion, in that the Defendants attempted to obtain and did obtain a sum of United States currency, said property not due **PINSON** or his office, from persons and entities seeking and doing business with SCSU and its affiliated organizations, with the consent of those persons and entities, wrongfully induced under color of official right, as **PINSON** requested a “kickback” in order to use his influence to arrange WE

Entertainment's engagement as the primary promoter of SCSU's 2011 Homecoming Concert;

In violation of Title 18, United States Code, Sections 1951 and 2.

COUNT 7

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. In or around Fall 2011, in the District of South Carolina, the Defendant, **JONATHAN N. PINSON**, as a principal, aider and abettor, and as a co-participant in jointly undertaken criminal activity, knowingly, wilfully and unlawfully attempted to affect interstate commerce, and the movement of articles and commodities in interstate commerce, by extortion, in that **PINSON** (aided and abetted by P5) attempted to arrange the purchase of the Sportsman's Retreat by SCSU and the 1890 Foundation in exchange for P4's agreement to provide **PINSON** with a new Porsche Cayenne automobile, and to further provide P5 with approximately \$30,000.00 in United States currency and other compensation, said property not due **PINSON**, P5, or their offices, with P4's consent, wrongfully induced under color of official right;

In violation of Title 18, United States Code, Sections 1951 and 2.

COUNTS 8 - 21

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Four, Five, Six and Seven of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. From in or around Fall 2011, through in or around early 2012, in the District of South Carolina and elsewhere, the Defendants, **JONATHAN N. PINSON** and **ERIC ROBINSON**, as principals, aiders and abettors and as co-participants in jointly-undertaken criminal activity, acting in concert with others (including but not limited to P4 and P5), devised and intended to devise a scheme and artifice to defraud and deprive the citizens of the State of South Carolina and the students, employees, and alumni of SCSU of their right to the honest and faithful services of **PINSON** through the concealment of material information.

PURPOSE OF THE SCHEME

C. The primary purpose of the scheme and artifice was for **PINSON** to secretly use his official position as the Chairman of the Board of Trustees of SCSU to enrich himself by soliciting and accepting gifts, payments, "kickbacks," and other things of value, from various persons, in exchange for favorable official acts.

Another purpose of the scheme and artifice was for **ROBINSON**, P4 and others to enrich themselves by obtaining favorable official action for themselves and their companies through secretly and corruptly offering “kickbacks,” gifts, and payments to **PINSON**.

MANNER AND MEANS

D. As a part of the scheme:

1. **PINSON** solicited various “kickbacks” in return for agreements to use his official position to benefit persons who agreed to provide items of value to **PINSON** and his accomplices;
2. **PINSON** used his position as Chairman of the Board to obtain various improper financial benefits;
3. **ROBINSON** agreed to assist **PINSON** in collecting “kickback” payments for the SCSU Homecoming Concert and also used **PINSON**’s position and connections to financially benefit himself (**ROBINSON**);
4. **PINSON** and **ROBINSON** used cellular telephones and other instrumentalities of and in interstate commerce, to further the purposes of the scheme;
5. **PINSON** performed official acts favorable to **ROBINSON**, P3, P4 and others as requested and as opportunities arose.

6. **PINSON** took steps to conceal the true nature and scope of his dealings with **ROBINSON**, P3, P4 and others, and the benefits **PINSON** expected to receive in return for his official acts.

EXECUTION OF THE SCHEME

E. On or about the dates listed below, in the District of South Carolina and elsewhere, **PINSON** and **ROBINSON**, as principals, aiders and abettors and as co-participants in jointly-undertaken criminal activity for the purpose of executing the above-described scheme and artifice to defraud and deprive, transmitted and caused to be transmitted by means of wire communication in interstate commerce through cellular telephones and facsimile the following writings, signals, and sounds:

<u>COUNT</u>	<u>DATE OF TRANSMISSION</u>	<u>DEFENDANT</u>	<u>WIRE</u>
8	July 22, 2011	PINSON	Phone call between PINSON and P6 concerning the “split” for concert profits
9	July 25, 2011	PINSON	Phone call between PINSON and P6 concerning a payment to WE Entertainment
10	August 5, 2011	PINSON ROBINSON	Phone call between PINSON and ROBINSON concerning

the need to exercise care
in pushing SCSU to
immediately pay WE
Entertainment

- | | | | |
|----|-------------------|----------------------------|--|
| 11 | August 11, 2011 | PINSON
ROBINSON | Phone call between
PINSON and
ROBINSON concerning
ROBINSON 's expenses
and his plan to pay
PINSON |
| 12 | August 25, 2011 | PINSON
ROBINSON | Phone call between
PINSON and
ROBINSON concerning
the need for ROBINSON
to pay "kickbacks" in
order to get SCSU
business |
| 13 | September 1, 2011 | PINSON
ROBINSON | Phone call between
PINSON and
ROBINSON where
ROBINSON promised to
make \$1,000.00
"kickback" payments to
PINSON and P6 |
| 14 | September 7, 2011 | PINSON | Phone call between
PINSON and P6 where
they discussed (using
coded language)
"kickbacks" that would be
due them for the 2011
SCSU Homecoming
Concert |

19	October 17, 2011	PINSON	Phone call between PINSON and P4 concerning the "kickback" in the form of a Porsche Cayenne
20	October 31, 2011	PINSON	Facsimile transmission from SCSU to P4 of a letter of intent to purchase Sportsman's Retreat
21	November 1, 2011	PINSON	Phone call between PINSON and P6 concerning the letter of intent to purchase Sportsman's Retreat

All in violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNTS 22 - 23

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. From in or around Spring 2011, through in or around November 2011, in the District of South Carolina and elsewhere, the Defendants, **JONATHAN N. PINSON** and **ERIC ROBINSON**, as principals, aiders and abettors and as co-participants in jointly-undertaken criminal activity, acting in concert with others,

devised and intended to devise a scheme and artifice to defraud and deprive the citizens of the State of Georgia, including but not limited to the citizens of DeKalb County, Georgia, of the honest and faithful services of an elected DeKalb County Councilman through the concealment of material information and to obtain money from P4 by falsely exaggerating the amount of the purported “kickback” solicited from him as detailed herein.

PURPOSE OF THE SCHEME

C. The primary purpose of the scheme and artifice was for **PINSON** and **ROBINSON** to pay a purported “kickback” to an elected official in DeKalb County, GA using funds supplied by P4 in return for official acts, for **PINSON** and **ROBINSON** to act as “bagmen” to facilitate the transaction, and for **PINSON** and **ROBINSON** to enrich themselves by inflating the amount of the “kickback” solicited by splitting and pocketing the surplus amount. **PINSON** and **ROBINSON** used cellular telephones and other instrumentalities of and in interstate commerce to further the purposes of the scheme.

EXECUTION OF THE SCHEME

D. On or about the dates listed below, in the District of South Carolina and elsewhere, **PINSON** and **ROBINSON**, as principals, aiders and abettors and as co-participants in jointly-undertaken criminal activity, for the purpose of executing the above-described scheme and artifice to defraud and deprive, transmitted and

caused to be transmitted by means of wire communication in interstate commerce through the use of cellular telephones, the following writings, signals, and sounds:

<u>COUNT</u>	<u>DATE</u>	<u>WIRE TRANSMISSION</u>
22	October 29, 2011	Phone call between PINSON and ROBINSON concerning their plan to solicit a “kickback” from P4 to pay to a DeKalb County official
23	November 11, 2011	Phone call between PINSON and ROBINSON concerning their plan to solicit a “kickback” from P4 to pay to a DeKalb County official

All in violation of Title 18, United States Code, Sections 1343, 1346, and 2.

**OFFENSES RELATING USE OF THE MAILS AND WIRES IN
FURTHERANCE OF SCHEMES TO DEFRAUD**

Mail and Wire Fraud

COUNTS 24-34

COUNTS 24 - 26

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One and Two of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. In or around 2009, the Defendant, **JONATHAN N. PINSON**, P1, and P2 became partners in a diaper manufacturing company called Supremes, LLC, and they used that company to execute a scheme and artifice to defraud and to illegally obtain money and property through the use of false and fraudulent pretenses, representations, and promises. The original owner of the diaper company was struggling financially and agreed to partner with members of the enterprise, hoping to obtain financial backing and government assistance for a relocation of the business to Marion County, South Carolina. As an incentive to help the Supremes operation move to Marion County, the South Carolina Department of Commerce awarded a \$1,000,000.00 grant to Marion County for the “up-fitting” of a facility to house the manufacture of the diapers. After the grant was awarded, **PINSON**, P1, P2, and P3 devised a plan to submit falsified invoices to Marion County for engineering services supposedly provided to the diaper plant, illegally billing Marion County at grossly inflated rates for work which was not always completed. The falsified invoices were submitted to and ultimately paid by Marion County to and through one of P3's companies as well as the Noel Group, LLC.

C. On or about the dates set forth below, in the District of South Carolina and elsewhere, **PINSON** (aided and abetted by the Noel Group LLC, P1, P2, and P3) as a principal, aider and abettor and as a co-participant in jointly undertaken criminal activity, for the purpose of executing a scheme and artifice to defraud and to obtain money by false and fraudulent pretenses, representations and promises, as detailed more specifically above and in Count Two of this Superseding Indictment, knowingly caused the items specified below to be delivered by mail through the United States Postal Service and a private commercial carrier according to the directions thereon:

<u>COUNT</u>	<u>DATE</u>	<u>MAILING</u>
24	November 24, 2009	Request for Payment package sent from Marion County to the South Carolina Department of Commerce including a falsified invoice submitted by P3, the proceeds of which were shared with PINSON
25	December 22, 2009	Request for Payment sent from Marion County to the SC Department of Commerce. The Request for Payment included a falsified invoice submitted by PINSON for "engineering services."
26	January 7, 2010	Check processed by the State of South Carolina, Office of State Treasurer, used to pay the Noel Group LLC.

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS 27 - 34

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Count One of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. As an owner of VRE, the Defendant, **JONATHAN N. PINSON**, developed a scheme and artifice to defraud and to obtain money using false and fraudulent pretenses, representations and promises through VRE. While managing the VRE development, **PINSON**, aided and abetted by VRE and P3, caused and accepted wire transfers from CHA that **PINSON**, P3 and VRE certified were being used for the construction of 60 public housing units at the VRE site. Instead of using these funds for their intended and represented purpose, **PINSON** engaged in "skimming" by illegally keeping a portion of each of the various wire transfers for his own personal use. In addition, **PINSON** and P3 withheld or delayed payments for legitimate services to the general contractor and sub-contractors while falsely certifying to CHA that all payments to the contractors were up to date.

C. On or about the dates set forth below, in the District of South Carolina, **PINSON**, aided and abetted by VRE and P3, as a principal, aider and abettor and as a co-participant in jointly undertaken criminal activity, for the purpose of executing a scheme and artifice to defraud and to obtain money by false and fraudulent pretenses, caused the wire transfers in interstate commerce of funds from a bank

account controlled by CHA at Branch Banking and Trust (BB&T) (account number ending in 6635), to a bank account controlled by **PINSON** at Bank of America (BOA) (account number ending in 8902), by submitting inflated Periodic Estimates for Partial Payments to CHA, with **PINSON** subsequently illegally using a significant portion of the funds transferred for his own improper uses, as set forth below:

<u>COUNT</u>	<u>DATE</u>
27	April 1, 2011
28	June 10, 2011
29	June 20, 2011
30	July 20, 2011
31	August 10, 2011
32	September 1, 2011
33	October 19, 2011
34	November 28, 2011

All in violation of Title 18, United States Code, Sections 1343 and 2.

**OFFENSES INVOLVING FINANCIAL TRANSACTIONS USING
PROCEEDS OF SPECIFIED UNLAWFUL ACTIVITIES**

Money Laundering

COUNTS 35 – 42

COUNTS 35-37

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Two, Thirty-Three, Thirty-Four and Thirty-Five of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. On or about the dates set forth below, the Defendant, **JONATHAN N. PINSON**, aided and abetted by the Noel Group LLC, P1, P2, and P3, knowingly, willfully and intentionally did conduct and attempt to conduct financial transactions affecting interstate commerce, which involved the proceeds of specified unlawful activity, that is, violations of Title 18, United States Code, Sections 666 (theft and conversion of government funds) and 1343 (mail fraud), with the intend to promote the aforesaid illegal activities and with knowledge that the transactions described herein were designed, in whole and in part, to conceal and disguise the nature, source, ownership and control of the proceeds of said specified unlawful activity; and further, that while conducting and attempting to conduct such financial transactions, **PINSON** knew that the property involved in the transactions represented the proceeds of some form of unlawful activity, in that the defendant, after preparing a false and fraudulent invoice, received an illegal payment in the amount of \$62,000.00 and then divvied up a portion of the proceeds with his accomplices by writing checks drawn on a BB&T account in the name of the Noel

Group, LLC, (account number ending in 8373):

<u>COUNT</u>	<u>DATE</u>	<u>TRANSACTION</u>
35	January 15, 2010	Check from the Noel Group, LLC in the amount of \$10,000.00 made payable to P1
36	January 15, 2010	Check from the Noel Group, LLC in the amount of \$10,000.00 made payable to P2
37	January 15, 2010	Check from the Noel Group, LLC in the amount of \$5,000.00 made payable to P3

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i), and 2.

COUNT 38

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Two, and Twenty-Four through Twenty-Six of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. On or about January 15, 2010, the Defendant, **JONATHAN N. PINSON**, (aided and abetted by the Noel Group, LLC, P1, P2, and P3), as a principal, as an aider and abettor, and as a co-participant in jointly undertaken criminal activity, knowingly did engage in and attempt to engage in a monetary transaction affecting interstate commerce, in criminally derived property of a value

greater than \$10,000.00, which involved the proceeds of specified unlawful activity, that is, violations of Title 18, United States Code, Sections 666 (theft and conversion of government funds) and 1341 (mail fraud), in that he wrote checks drawn on a BB&T account in the name of the Noel Group, LLC (account number ending in 8373), in the amounts of: \$10,000.00 payable to P1, \$10,000.00 payable to P2, and \$5,000.00 payable to P3;

In violation of Title 18, United States Code, Sections 1957 and 2.

COUNTS 39 - 42

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Three, and Twenty-Seven through Thirty-Four of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. On or about the dates set forth below, in the District of South Carolina, the Defendant, **JONATHAN N. PINSON**, (aided and abetted by VRE and P3), as a principal, as an aider and abettor, and as a co-participant in jointly undertaken criminal activity, did knowingly engage and attempt to engage in monetary transactions affecting interstate commerce, in criminally derived property of a value greater than \$10,000.00, which involved the proceeds of specified unlawful activity, that is, violations of Title 18, United States Code, Sections 666 (theft and conversion

of government funds) and 1343 (wire fraud), in that he caused the transfer of funds from VRE's Bank of America account (account number ending in 8902) to his (PINSON's) personal account at Wachovia Bank, (account number ending in 1306), as specified below:

<u>COUNT</u>	<u>DATE</u>	<u>TRANSACTION</u>
39	July 21, 2011	Wire transfer in the amount of \$18,500.00
40	July 29, 2011	Wire transfer in the amount of \$13,000.00
41	September 2, 2011	Wire transfer in the amount of \$15,000.00
42	November 28, 2011	Wire transfer in the amount of \$11,802.51

All in violation of Title 18, United States Code, Sections 1957 and 2.

FALSE STATEMENTS TO FEDERAL AGENCIES AND
IN MATTERS INVOLVING THE JURISDICTION
OF THE EXECUTIVE BRANCH

COUNTS 43 – 52

COUNTS 43-50

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Three, and Twenty-Five through Thirty-Five of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. On or about the dates set forth below, the Defendant, **JONATHAN N. PINSON**, in a matter within the executive branch of the government of the United States, as a principal, aider and abettor and co-participant in jointly-undertaken criminal activity, knowingly and willfully did make materially false, fictitious and fraudulent statements and representations, and did make and use false writings and documents knowing said documents to contain materially false, fictitious and fraudulent statements and entries, in that he submitted HUD forms HUD-51001 (Periodic Estimate For Partial Payment, said forms containing a warning that false claims and statements will be prosecuted by HUD under various federal criminal and civil statutes, to include 18 U.S.C. 1001) to CHA, an agent of HUD, on the occasions detailed below, which contained false information, certifying the document to be a true statement of the value of work performed and materials supplied by the contractor, when in fact **PINSON** knew the funds were not used as represented and that a portion of those funds were diverted for his and others' personal use:

<u>COUNT</u>	<u>DATE</u>
43	March 22, 2011
44	April 27, 2011
45	June 2, 2011
46	July 13, 2011
47	August 25, 2011
48	August 25, 2011
49	October 7, 2011
50	November 18, 2011

All in violation of Title 18, United States Code, Sections 1001(a)(2), 1001(a)(3), and 2.

COUNT 51

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Four, Five, Six, and Eight through Fifteen of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. On or about November 14, 2011, in the District of South Carolina, the Defendant, **JONATHAN N. PINSON**, in a matter within the jurisdiction of the executive branch of the government of the United States, knowingly did make materially false, fictitious, and fraudulent statements and representations, knowing the same to be false, in that he made material false statements to agents of the Federal Bureau of Investigation concerning his involvement in the awarding of a

contract for the 2011 SCSU Homecoming Concert, and concerning his knowledge of any illegal and improper activities connected to that concert;

In violation of Title 18, United States Code, Section 1001(a)(2).

COUNT 52

THE GRAND JURY FURTHER CHARGES:

A. The allegations contained in Counts One, Four, Five, Six, and Eight through Fifteen of this Superseding Indictment are realleged and incorporated as if fully set forth herein.

B. On or about November 14, 2011, in the District of South Carolina, the Defendant, **ERIC ROBINSON**, in a matter within the jurisdiction of the executive branch of the government of the United States, knowingly did make materially false, fictitious, and fraudulent statements and representations, knowing the same to be false, in that he made material false statements to agents of the Federal Bureau of Investigation when **ROBINSON** denied paying or agreeing to pay any SCSU official a "kickback" or payment in connection with the 2011 SCSU Homecoming Concert;

In violation of Title 18, United States Code, Section 1001(a)(2).

FORFEITURE

1. RACKETEERING:

The allegations contained in Count 1 of this Superseding Indictment are hereby repeated, realleged, and incorporated by reference herein as though set forth at length for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963 and Title 28, United States Code, Section 2461(c). Pursuant to Rule 32.2, Fed. R. Crim. P., notice is hereby given to the defendants, **JONATHAN N. PINSON** and **ERIC ROBINSON**, that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 1963, in the event of any defendant's conviction under Count 1 of this Superseding Indictment. Upon conviction of the offense set forth, the Defendants shall forfeit to the United States the following property:

- (1) Any interest acquired or maintained in violation of Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1);
- (2) Any interest in, security of, claim against, or property or contractual rights of any kind affording a source of influence over the enterprise described in Count 1 which was established, operated, controlled, conducted and or participated in the conduct of, in violation of Section 1962; which interests are subject to forfeiture to the United

States pursuant to Title 18, United States Code, Section 1963(a)(2);
and

- (3) Any property constituting or derived from proceeds obtained directly and indirectly from racketeering activity in violation of Title 18, United States Code, Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(3);

Proceeds/Money Judgment:

A sum of money equal to all property the Defendants obtained as a result of the racketeering offenses charged in the Superseding Indictment pursuant to 18 U.S.C. § 1963, for which they are jointly and severally liable.

2. SPECIFIED UNLAWFUL ACTIVITIES:

Upon conviction for one or more violations of 18 U.S.C. § 666 (theft or bribery of federal program funds) as charged in Counts 2 - 5 of this Superseding Indictment; 18 U.S.C. §1951 (Hobbs Act), as charged in Counts 6 - 7 of this Superseding Indictment; and 18 U.S.C. §§ 1343 and 1341 (mail and wire fraud) as charged in Counts 8 - 34 of this Superseding Indictment, the Defendants, **JONATHAN N. PINSON** and **ERIC ROBINSON**, shall forfeit to the United States, pursuant to Title 18 United States Code, Sections 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which

constitutes or is derived from any proceeds the Defendants obtained, directly or indirectly, as the result of such violations, and any property traceable to such property.

Proceeds/Money Judgment:

A sum of money equal to all property the Defendants obtained as a result of the offenses charged in the Superseding Indictment, that is a minimum of \$850,000 in United States currency, and all interest and proceeds traceable thereto as a result of their violations of 18 U.S.C. §§ 666, 1951, 1341 and 1343, for which the Defendants are jointly and severally liable.

3. MONEY LAUNDERING:

Upon conviction for one or more violations of 18 U.S.C. §§ 1956 and 1957, as charged in Counts 35 - 42 of this Superseding Indictment, the Defendant, **JONATHAN N. PINSON**, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1) and 28 U.S.C. § 2461(c), any property, real or personal, involved in such offenses, and any property traceable to such property. The property subject to forfeiture includes, but is not limited to, the following:

Proceeds/Money Judgment: A sum of money equal to all property involved in the money laundering offenses charged in the Superseding Indictment, and all proceeds traceable thereto, for which the Defendant is liable.

4. SUBSTITUTE ASSETS:

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the Defendants:

- (1) Cannot be located upon the exercise of due diligence;
- (2) Has been transferred or sold to, or deposited with, a third person;
- (3) Has been placed beyond the jurisdiction of the court;
- (4) Has been substantially diminished in value; or
- (5) Has been commingled with other property which cannot be subdivided without difficulty;

It is the intention of the United States, pursuant to Title 18, United States Code, Section 1963(m) and 982(b)(1), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the Defendants up to the value of the forfeitable property;

Pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1), 1963 and Title 28, United States Code, Section 2461(c).

A True BILL

Redacted

FOREPERSON

Beth Drake
BETH C. DRAKE (MCM/NCW/JBT/TDP)
ACTING UNITED STATES ATTORNEY